

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT TACOMA

UNITED STATES OF AMERICA,

CASE NO. C16-5449 BHS

Plaintiff,

**ORDER GRANTING PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT**

DORAN R. KRAUS, et al,

Defendants.

This matter comes before the Court on Plaintiff the United States of America’s (the “Government”) motion for summary judgment. Dkt. 68. On January 31, 2018, the Government moved for summary judgment. Dkt. 68. Also on January 31, 2018, Defendant Doran R. Kraus (“Kraus”) filed a cross-motion for summary judgment, which he titled a “Dispositive Motion for Settlement.” Dkt. 69. On February 16, 2018, the Government responded to Kraus’s motion. Dkt. 71. On February 20, 2018, Kraus replied on his motion and responded to the Government’s motion. Dkts. 72, 73. On February 21, Defendant Leanne V. Lao (“Lao”) responded to the Government’s motion. Dkt. 74. On February 27, 2018, the Government replied to Lao’s response. Dkt. 78. On March 21,

1 2018, Kraus filed a “revamped-updated” response to the Government’s motion. Dkt. 79.

2 On March 26, 2018, the Government filed a notice of a reduction in the amount in tax
3 assessments it seeks to reduce to judgment for the years 2001–2004. Dkt. 80.

4 On April 3, 2018, the Court entered an order denying Kraus’s motion and granting
5 in part the Government’s motion. Dkt. 81. The Court entered judgment in favor of the
6 Government against Kraus in the amount of \$184,651.40. *Id.* at 16. The Court found that
7 the Government has valid and subsisting federal tax liens on all property and rights to
8 property of Kraus, including the real property at 5901 16th Street Court NE, Tacoma,
9 Washington 98422. *Id.* Also, the Court found that Lao has no independent right to any
10 proceeds from the sale of the subject property that takes priority over liens preexisting the
11 divorce. *Id.* The Court renoted the Government’s motion for further consideration on the
12 singular issue of the effect of Lao’s innocent spouse relief on liens arising from interest
13 or penalties assessed after Lao’s and Kraus’s divorce. *Id.* at 17.

14 On April 16, 2018, the Government and Lao filed a stipulated motion agreeing
15 that in the event the subject property is foreclosed and sold, “the United States may
16 collect all of its outstanding federal tax liens against the entire value of the Subject
17 Property, regardless of whether the liens preexisted the divorce between Doran Kraus and
18 Ms. Lao, and regardless of whether the liens pertain to interest or penalties accruing after
19 the divorce.” Dkt. 88 at 2. The Government and Lao also stipulated to a six-month stay of
20 the execution on the order of sale, entered by the Court on April 17, 2018. Dkt. 89.

In light of Lao's and the Government's stipulation regarding the outstanding issue on the Government's motion, the motion for summary judgment is **GRANTED**. The Clerk shall enter **JUDGMENT** in favor of the Government.

IT IS SO ORDERED.

Dated this 17th day of April, 2018.



BENJAMIN H. SETTLE
United States District Judge